

Career Transition Assistance For Displaced Federal Employees

First Annual Report

**Fiscal Year 1996
(February 29, 1996 - September 30, 1996)**

Career Transition



United States Employment
Office of Service
Personnel
Management

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UNITED STATES
OFFICE OF PERSONNEL MANAGEMENT
WASHINGTON, DC 20415-0001

OFFICE OF THE DIRECTOR

MAY 30 1997

MEMORANDUM FOR DIRECTORS OF PERSONNEL

FROM: JAMES B. KING
DIRECTOR

SUBJECT: First Annual Report on Career Transition
Assistance for Displaced Federal Employees

I am very pleased to share with you our first comprehensive look at the new career transition assistance program established by President Clinton to assist Federal employees displaced by downsizing.

The attached report covers the first seven months of the new program and recounts a record of which we can all be proud. Every major agency has developed and implemented a Career Transition Assistance Plan. Thousands of displaced employees have been given job-hunting help, and selection priority for other positions. An interagency and intergovernmental support system has been established to assist displaced employees.

I wish to thank you for making these results possible, and I encourage you to keep up the good work.

Attachment

**CAREER TRANSITION ASSISTANCE FOR DISPLACED FEDERAL EMPLOYEES
FIRST ANNUAL REPORT
FISCAL YEAR 1996**

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SUMMARY

This is a report on the efforts of Federal agencies to assist their employees displaced by downsizing. It covers the first seven months of the new career transition assistance program established by President Clinton on September 12, 1995, and implemented by U.S. Office of Personnel Management (OPM) regulations on February 29, 1996. During the period covered by this report (February 29, 1996 to September 30, 1996):*

- 64 Federal agencies implemented new nationwide programs to assist their surplus and displaced employees;
- 7,006 non-Defense employees and 15,650 displaced Defense workers facing RIF's have been given career transition assistance and selection priority for other jobs;
- 1,038 surplus and displaced non-Defense workers, and 9,320 Defense workers have been placed in other positions within their agency;
- 288 displaced employees have been rehired after RIF's through their agency's Reemployment Priority List;
- 418 employees RIF-ed by one agency have been selected for positions in other agencies;
- An interagency and intergovernmental support system has been established to assist displaced workers which includes two Internet sites and a pilot network of five career transition centers for displaced Federal workers in the Washington, DC area.

The net effect of the President's program in its first seven months is that:

- displaced Federal employees have access to a broad range of services to assist them in finding other employment;
- agencies have become more proactive in helping their surplus employees; and
- more displaced employees are finding new jobs.

The report includes background information on the Federal career transition program, narrative and statistical data, agencies, a summary of implementation steps taken by OPM and other Federal organizations, and a directory of sources for further information.

* Defense Department data on surplus and displaced employees and selections, included in this report covers all of Fiscal Year 1996

DEVELOPMENT OF NEW CAREER TRANSITION PROGRAMS

A CHRONOLOGY

Governmentwide restructuring and downsizing. Like most major corporations in the United States, the Federal Government is streamlining operations, closing unneeded and outmoded facilities, reducing overhead, and restructuring its workforce. The goal is a government that works better and costs less. Between January 1993 and January 1997, Executive Branch employment levels have been reduced by more than 308,000 (15%). 64% of this reduction occurred in the Department of Defense, and 36% in non-Defense agencies. Virtually every Federal agency experienced reductions. Executive Branch employment in the Washington area alone declined by almost 42,000 employees during this period.

Minimizing adverse impact on employees. It is the policy of the Government to carry out necessary downsizing and restructuring while seeking to minimize adverse impact on employees. Almost 130,000 employees accepted buyouts of up to \$25,000 to leave Federal service voluntarily and 78,000 took voluntary early retirement during this period. Since 1993, about 30,000 Federal employees have been separated involuntarily from the Federal workforce involuntarily through reductions in force (RIF). These RIFed employees are the primary focus of the assistance efforts described in this report.

1994

Statutory mandate. On March 30, 1994, President Clinton signed the Workforce Restructuring Act (P.L. 103-226). The Act set statutory targets for the reduction of Executive Branch employment by 272,900 full-time equivalent positions through Fiscal Year 1999 and established a buyout program to encourage voluntary separations.

Congressionally directed study of outplacement programs. In the Fall of 1994, Congress directed the Office of Personnel Management (OPM), in consultation with the Department of Defense, to look at more effective means to transition employees affected by downsizing to new jobs. The Department of Defense has long operated a highly successful placement program, and has pioneered partnerships with state and local government organizations to provide career transition services to surplus Defense employees. The immediate focus of the Congressional initiative was to determine the feasibility and desirability of a new placement program for displaced employees in all agencies.

Search for more effective employee assistance. Between October 1994 and March 1995, teams of Federal employees worked under the leadership of OPM to review the feasibility and desirability of a new placement program. This review was conducted in consultation with agencies, with input from Federal Executive Boards, unions, management groups, professional organizations, private corporations and employees who were affected by downsizing. The teams also helped develop an inventory of current assistance benefits and programs, and explored a broad range of possible new initiatives to assist displaced Federal employees in gaining other employment.

1995

Interagency Cooperation on Career Transition. In March, 1995, the Interagency Advisory Group of Agency Personnel Directors (IAG), with support of OPM, chartered a special Career Transition Committee to develop specific plans on how agencies could work together at the local level and pool resources to provide Federal employees with the most effective transition and outplacement services.

OPM report to Congress. In April 1995, the Director of the Office of Personnel Management, James B. King, issued a report -- **“New Directions: Improving Transition Assistance for Federal Employees Affected by Downsizing”** -- which was based on the interagency study. The report found that existing Governmentwide programs to help surplus employees varied widely from agency to agency and were uneven in their results. Some, like the Department of Defense’s Priority Placement Program, and agency Reemployment Priority Lists, worked well. In contrast, the Interagency Placement Program, which had been designed to help displaced employees move from one agency to another, had placed only 174 employees in the last 3 years. The report concluded that programs often failed to give employees motivation and timely resources to obtain other employment before separation.

New approach to helping displaced employees. The report recommended a series of new Governmentwide policies to assist surplus employees which would empower employees to take charge of their careers and give them assistance and support in the process. This new model of transition assistance would provide employees with:

- placement priority for vacancies in their own agency;
- job search and other types of assistance that would help them move

to new careers in the public or private sector; and

- selection priority for vacancies in other Federal agencies when they apply and are determined to be well qualified.

Job hunting help. Traditionally, assistance to displaced Federal employees had focused on registering them in inventories for placement and rehiring priority in other Federal jobs. Experience in private sector downsizing, however, had shown that encouraging and supporting employees to locate and move to other employment on their own initiative also was very effective. As a result, the new approach recommended by the Office of Personnel Management emphasized offering employees career transition services such as job search help, career counseling, resume preparation assistance, retraining, and retirement and financial planning through their agency, state and local governments and private contractors.

Earlier assistance. The report also encouraged the earliest possible intervention by agencies to identify potential surplus employees and provide them with job hunting assistance and selection priority for other positions. This assistance would begin as soon as it appeared likely that employees would be affected by downsizing. Employees designated as “surplus” would be provided with career transition services by their agency, and be afforded priority consideration for vacant positions, also within their same agency. Once employees actually receive their Reduction In Force separation notices, they would be designated as “displaced” and be eligible for additional assistance on an interagency basis.

Applicability to both public and private sector job search. Finally, the report recommended that assistance programs provide employees with tools that could be equally useful for finding new jobs in the private sector as well as government. It was recognized that placement opportunities in the Federal sector would be limited. For many displaced employees, private sector employment would be the most realistic option.

Interagency Advisory Group action plan. On June 20, 1995, the Interagency Advisory Group’s Career Transition Committee issued a report with four specific recommendations for agencies to follow in assisting their displaced employees. These are:

- **give a clear message to employees on downsizing** - when RIF’s are likely, agencies should be candid with employees on the possible consequences and stress that employees focus on career transition plans.

- **maximize internal placement** - agencies should do everything possible to give their own displaced employees consideration for vacancies, before filling jobs with outside candidates.
- **offer career transition services to all affected employees through a multi-tiered approach** - each agency should take responsibility for assisting its own displaced employees. Efforts should also be made to obtain services through state and local government organizations. A network of interagency career transition centers should be established in the Washington area as a pilot program.
- **expand the use of existing automated systems to assist employees-** career transition services should use existing automated systems (and establish new links as necessary) for registering employees for assistance, referral/marketing for employment, electronic connections to career transition centers, etc.

In July of 1995, the Career Transition Committee followed up on these recommendations by issuing a comprehensive handbook for agencies “**Career Transition: A Resource Guide**”

Presidential directive. On September 12, 1995, President Clinton acted on the Office of Personnel Management report and Interagency Advisory Group recommendations by issuing a memorandum directing Federal agencies to establish new career transition programs to help their surplus and displaced employees find other jobs as the Federal Government undergoes downsizing and restructuring. The President directed that the new programs be developed in partnership with labor and management. The Department of Defense was authorized to use its highly successful Priority Placement Program as a basis to assist its own employees, and provide them with career transition services in accordance with the President's memorandum.

Program framework. On December 29, 1995, OPM issued new career transition regulations which were developed in cooperation with representatives from the Interagency Advisory Group, management organizations, and employee unions. These regulations, published in subparts F and G of Part 330, Title 5, Code of Federal Regulations, provide the framework for implementing the President's directive.

Employee Empowerment. The program set up under the Presidential directive incorporates a new concept in career transition assistance for displaced Federal workers called “employee empowerment.” The new program gives individual workers the power to find, apply and exercise priority for specific vacancies in which they are interested. It seeks to motivate and reinforce an employee’s self interest in

finding work opportunities by giving displaced workers the resources and hiring priority necessary to support their transition to other employment.

1996

Comprehensive assistance package for employees. The new regulations went into effect on February 29, 1996 and provide three levels of assistance to surplus and displaced Federal employees:

- career transition services and selection priority for other jobs in their agency prior to separation under a **Career Transition Assistance Plan (CTAP)** developed by each agency;
- rehiring priority for jobs in their former agency after they have been separated, through the agency **Reemployment Priority List (RPL)**; and finally,
- selection priority for jobs in other Federal agencies through the new **Interagency Career Transition Assistance Program (ICTAP)**, which would replace the Interagency Placement Program, effective February 29, 1996.

Opening of the Metro Area Reemployment Center. May 14, 1996 marked the opening of the first of five comprehensive interagency career transition assistance centers for displaced Federal employees in the Washington, DC area. Recommended by the Interagency Advisory Group, the centers offer resume preparation assistance, financial planning, career counseling, and access to automated job vacancy listings and Internet sources. The project is a joint effort of the U.S. Department of Labor, the Office of Personnel Management, the Interagency Advisory Group of Executive Branch Personnel Directors, the National Partnership Council, the Greater Washington Board of Trade, the District of Columbia, the Commonwealth of Virginia, and the State of Maryland.

1997

Implementation by agencies. After the regulations were published, agencies drafted and implemented Agency Career Transition Assistance Plans (CTAP) which outlined the ways they would provide career transition services and special

selection priority to their surplus and displaced employees. (Each agency's complete plan is available on the *SAFETYNET* Internet site listed at the end of this report.) In early 1997, agencies provided OPM with their first progress reports on career transition activity for the period February 1996 through September 1996. These submissions are the basis of this report.

GOVERNMENTWIDE CAREER TRANSITION ACTIVITY

FY 1996*

New Agency Career Transition Plans (64)

- **64** Executive Branch agencies developed and implemented comprehensive nationwide career transition plans.

Surplus and Displaced Employees Made Eligible for Career Transition Assistance in Their Agency (22,656)

- **7,006** surplus and displaced employees made eligible for career transition assistance in non-Defense agencies.
- **15,650** employees registered as surplus or displaced within Defense. **

Selections of Displaced Employees Within Agencies (10,358):

- **1,038** surplus and displaced non-Defense employees were selected by their agency for other positions prior to Reduction In Force separation.
- **9,320** surplus and displaced Defense employees were placed within the Department through the Department of Defense's Priority Placement Program. **

RIFed employees rehired through Reemployment Priority Lists (RPL) (288)

- **194** RIFed employees were rehired through RPLs in non-Defense agencies. ***
- **94** RIFed employees were rehired through the RPL in Defense. ***

Movement of employees from one agency to another under the Interagency Career Transition Assistance Program (418):

- **418** displaced employees were selected for jobs in other agencies.

* Except as noted below statistics cover the period 2/29/96 through 9/30/96

** These statistics for the Department of Defense cover the period 10/1/95 to 9/30/96. Defense employees are registered in the Priority Placement Program two years prior to RIF separation and remain in the program one year after the RIF occurs.

*** These statistics for both Defense and non-Defense cover the period 1/1/96 to 9/30/96

OFFICE OF PERSONNEL MANAGEMENT SUPPORT OF CAREER TRANSITION ASSISTANCE PROGRAMS

One-stop policy assistance center. OPM assists agencies, employees, and unions by providing guidance and information on all aspects of downsizing policy, including career transition programs, and the rights and benefits of eligible employees. **OPM's Workforce Restructuring Office** also maintains a special Clearinghouse Resource Center for Federal agencies containing books, videos, software, and materials on career transition and outplacement available on loan.

Competency development and career exploration. OPM has developed **USACareers**, a state-of-the-art career transition resource base and self-assessment tool, to help agencies ensure that each employee has the competency necessary to meet the demands of the workplace, now and in the future. **USACareers** includes assessment tools, training opportunities, resume preparation, employment search, and on-line job application in one comprehensive package available through the Internet, Local Area Network/Wide Area Network or stand-alone personal computer.

Comprehensive job vacancy listings. To help both displaced employees and the public locate Federal job opportunities, OPM has created a centralized inventory of all Federal job vacancies, accompanied by full text vacancy announcements, available 24 hours a day, 7 days a week. The inventory also includes vacancy announcements from state and local governments, as well as the private sector. The **USA JOBS** Web Homepage is located at:
<http://www.usajobs.opm.gov>.

Reimbursable restructuring and career transition services. OPM also offers comprehensive restructuring and career transition services to agencies on a reimbursable basis. Services range from designing and operating career transition programs to technical assistance in planning and carrying out reductions in force. Reimbursable services have been provided to the Department of the Navy, the Agency for International Development, the Department of Defense, the Internal Revenue Service, and the National Park Service, among others.

Skills assessment programs. A full range of Diagnostic Assessment Tools is available from **OPM's Personnel Resources and Development Center** that agencies can use to help place or transition employees into new jobs and careers as organizations restructure and downsize. These programs can be purchased off the shelf from OPM or can be tailored to meet the specific concerns of an organization.

Interagency cooperation. To coordinate career transition assistance programs, the **Interagency Advisory Group (IAG)** of Federal agency Personnel Directors, supported by the Office of Personnel Management, established a special committee and work group on career transition. The Group also supports a network of transition centers located in Federal agencies. Center directors meet monthly, under OPM auspices, to coordinate activities and discuss new developments. .

Partnership with the Department of Labor. To assist employees affected by downsizing, the **Department of Labor**, in partnership with OPM, and with the support of the **Council for Excellence in Government**, developed an Internet Homepage on the World Wide Web entitled, "*Planning Your Future -- A Federal Employee's Survival Guide*," located at <http://safetynet.doleta.gov>. This site assists employees in assessing their options during a RIF, and helps them understand their rights and benefits when they are separated. The site also provides detailed information on starting a new career, transition services available from Federal agencies, and federal retirement benefits. The Department of Labor also has a network of career transition centers in 11 cities which can be used by Federal agencies and their employees on a reimbursable basis.

Career transition centers in the Washington, DC area. The **Metropolitan Area Re-Employment Center (MARC)** located at 800 North Capitol Street, NW, Room 660, Washington, DC, offers a wide variety of career transition and outplacement services such as: on-line job search and software services, self-assessment tools, OPM Touch Screen computer listing job opportunities, resume and job application preparation, career counseling, retirement and financial planning, and much more. In addition to the MARC, there are four other centers located throughout the metropolitan area in Wheaton, Landover, and Baltimore, Maryland, and Fairfax, Virginia.

EXAMPLES OF INDIVIDUAL AGENCY CAREER TRANSITION ACTIVITY

* **Department of Energy**

"The Department has several initiatives to provide placement assistance to surplus and displaced employees, as well as those who would potentially be impacted by downsizing and redeployment of staff from Headquarters to field organizations under the Department's Strategic Alignment.

"Heads of major components were delegated authority to grant optional grade and pay retention when an employee voluntarily solicits and/or accepts placement in a lower grade position and such employee transition contributes to the objectives of Strategic Alignment Initiative and associated reengineering and employee transition efforts. For example, the Western Area Power Administration is offering retained grade and pay to employees in surplus occupations who are willing to take lower-graded positions in needed occupations, or to relocate from offices scheduled for downsizing to locations with vacant positions. Thus, Western has been able to retain valuable employees with important skills and has eliminated the costs associated with formal reductions in force.

"The Department has established 13 Career Management Resource Centers which provide placement assistance and transition services to surplus and displaced employees. The centers are equipped with computers, software packages, job information listings, and reference material. Outplacement services and workshops are provided for employees in areas such as financial planning, personal and professional development, and educational advancement."

* **Department of Health and Human Services**

"Our Indian Health Service (IHS) is conducting RIF's due to tribal takeover authorized under Public Law 93-638. They are providing as much assistance as possible to help employees RIFed from remote locations find other employment. In addition, some of our other components operate career centers which provide outplacement/career transition services for employees wishing to make transitions although not being RIFed."

* **Department of Labor**

"The Department of Labor (DOL) has a very proactive Agency Career Transition Assistance Program. There are eleven Career Assistance Centers within the Department which provide an array of comprehensive services to DOL employees nationwide. Additionally, the services are offered to all employees, not just those who are impacted by downsizing or RIF because it is the philosophy of the program that the services assist employees in effectively managing their careers.

“Another significant factor in the Department’s program is the manner in which downsizing has been managed. Specifically, during Fiscal Year 1996 reduction in force was implemented only as a last resort (i.e., as in the case of the Office of American Workforce wherein the organization was abolished due to congressional mandate). In this situation, all impacted employees were successfully found jobs outside of DOL with the assistance of the Department of Labor career assistance staff.

“In another situation with the Benefits Review Board (one of the Department’s adjudicatory organizations), thirty-five positions were identified as surplus due to reductions in congressional funding levels and reduced case load. In this instance, all impacted employees were successfully placed within the Department without the use of reduction in force. In each of these cases, the employees were provided comprehensive career assistance services (i.e. career counseling and assessments, job lead development and assistance, a vast array of workshops, and, most significantly, marketing assistance of their employment profiles and resumes).

“The Department has broadly defined “surplus employees” in order that proactive career assistance may be provided to its employees facing downsizing and/or organizational rightsizing. In Fiscal Year 1996, the Department was successful in effectively downsizing the minimum adverse impact to its employees.”

*** National Endowment For the Arts**

“During July 1995 and January 1996, the Arts Endowment was proactive in providing transition services to surplus and displaced employees. We developed and maintained a Transition Center which included access to the Federal Jobs Opportunity Bulletin and the Internet for national job information as well as local information; publications such as Federal Career Opportunities, Federal Jobs, How to Read and Use Vacancy Announcements, Developing Knowledge, Skills, and Abilities, etc.; and the Quick and Easy software package for developing Standard Form-171 applications. Additionally, we held seminars on stress management and managing career job change; networking sessions; resume clinics, and sessions on developing employee interests; and on-site registration for unemployment benefits counseling.

“Currently, we continue to provide a computer station that has access to the Internet and the Quick and Easy software package. We keep displaced employees informed of position openings within the agency and at other Federal institutions and private organizations, stay informed about their employment status and provide encouragement. We are vigilant in providing special selection priority for all eligible, displaced employees and have rehired 16 of our displaced employees during the year. We maintain a list of area career transition and development centers (employees were

notified of centers) which may provide further assistance to our displaced employees.”

HELPING DISPLACED FEDERAL WORKERS MOVE TO PRIVATE SECTOR EMPLOYMENT

The information in this report generally deals with the placement of RIF-ed workers within their own agency or in other Federal agencies. Yet many displaced Federal employees use the tools and resources provided by their agency's career transition program to move to private sector employment. This section of the report discusses one agency's experience in tracking the movement of its displaced workers to the private sector, and outlines a new initiative by the Office of Personnel Management to facilitate the placement of displaced workers in private sector jobs.

Comprehensive statistical data on the movement of displaced Federal workers to private sector employment is not available because existing Federal data collection systems generally stop at the point the employee leaves the Federal government. Yet this information is important for agencies to track internally both as a measure of the effectiveness of their transition programs as well as a significant cost consideration since it can affect unemployment compensation payments. For these reasons, OPM has recommended that agencies build strong tracking and evaluation components into their career transition programs.

OPM has also made a significant effort to track what happened to its own former employees displaced during downsizing. The data collection was undertaken as part of OPM's aggressive internal career transition program, which it has also conducted on a reimbursable basis for several other agencies. The program offers a wide range of career transition services and tools to help displaced employees transition into other careers, and assigns a peer counselor to each employee to encourage the individual's job search and track their progress in moving to a new career.

For its most recent reduction in force, effective in September of 1995, OPM determined that as of March 1996, 77% of the displaced workers who had completed the career transition program had found employment, 13% had retired and the others were either attending classes full time or were unemployed. Of the 208 employees who had found work, 40 (19%) were working in the private sector, one was working for State and local government and five had started their own business. The remainder of the displaced employees who were working had been reemployed in their own or another Federal agency.

As downsizing continues in the Federal government, the movement of displaced workers to the private sector will assume even greater importance. To facilitate this process, OPM proposed regulations on February 7, 1997, establishing a system by

which displaced employees could authorize the release of their resumes and other relevant employment information directly to State Dislocated Worker Units and other public and private sector employers as soon as they are notified of a reduction in force. This would enable displaced workers to receive full consideration for private sector employment vacancies at an early stage and provide a natural outcome for the job search preparation they receive through their agency's career transition program. OPM has also entered into a partnership with the Interagency Advisory Group and the Washington, DC Board of Trade to increase private sector awareness of talent pools within the government and link the private sector with critically skilled Federal employees who meet their staffing needs. Future reports on the career transition program will cover the progress of these initiatives.

FOR MORE INFORMATION

For additional copies of this report and information on all aspects of downsizing and career transition policy, contact the U.S. Office of Personnel Management's **Workforce Restructuring Office, (202) 606-0960 or FAX (202) 606-2329.**

For individual copies of Office of Personnel Management publications: "*The Employee's Guide To Career Transition*," "*The Employee's Guide To RIF*," "*The Employee's Guide To RIF-Separation Benefits*," or the "*The Employee's Guide To Buyouts*," call OPM's **Workforce Restructuring Hotline, (202) 606-2425.**

For career transition Information on the **World Wide Web**:

- To search for vacancies via the internet visit, USA JOBS at **<http://www.usajobs.opm.gov>.**
- For additional information regarding career transition, Reduction In Force, and Federal retirement benefits, visit "*Planning Your Future -- A Federal Employee's Survival Guide*," located at **<http://safetynet.doleta.gov>.**

For a centralized listing of Federal job vacancies contact:

- **Career America Connection (912) 757-3000** an automated telephone system that provides current job opportunities nationwide, including merit promotion announcements.
- **Federal Job Opportunities Board (FJOB), (912) 757-3100** can be accessed by any personal computer with a modem.

For information on the new **USACareers** program, **call (202) 606-2307 or (202) 606-2370.** You can also get a quick demonstration of **USACareers** at **www.usacareers.opm.gov.**

For additional information on career transition programs, regulations, and documents access the Office of Personnel Management's **ONLINE Electronic Bulletin Board System, (202) 606-4800**, via computer and modem.

For downsizing and career transition reimbursable services, contact our **Nationwide Downsizing Reimbursable Services Office in San Francisco at (415) 281-7094.**

For skills assessment programs available from on a reimbursable basis, contact our **Personnel Resources and Development Center at (202) 606-0820.**

For more information on OPM's internal career transition program, call **(202) 606-1400.**

For information on using the Department of Labor's network of career transition assistance centers, call **(202) 219-0188.**

For access to career transition services available to displaced Federal employees and contractors in the Washington, D.C. metropolitan area, contact **the Metropolitan Area Re-Employment Center at (202) 565-0001.**